Para 114

Order

App. F. IX-4

1928.

File No. 27-28

Previous References (V. P.)

Serial Nos. 22, 30

Later References

General and Revenue Secretariat.

Serial Nos. Nos

P-18/E

Part B for September 1929

SUBJECT

Grants to Village Panchayets for Drinking Water Wells or Village Improvement Works.

& 30

The R. C., Accountant & D. Cs 97 &

L. 1658-67 dated 31.8.29.

Directs that the existing system of treating the grants as outright grants be continued and that the suggestions of the Comptroller for ensuring the grant are used for the purpose for which they are allotted be adopted.

4720

Ann F. III—2]

General and Revenue Secretariat.

GP File No. 27 of 1928.

Serial No.	
22	Letter No. C 4492 D 24.4.29 from the Revenue & Industries Department to Audit & Accounts. Reference to Govt. of India letter No. 92-G dated 27th March 1928 about the undesirability of Grants & Advances Payments & Recoveries and outright grants & states that the sanctioned grants should be drawn only after the works are executed & these rules may be framed to avoid lapses of grants for a period of 3 years.
R.	The F. D may be requested to furnish a copy of the A & A. Report for reference. MK 27.4.29 K FD 28
	Copy of the A & A report is submitted herewith. (Sd.)
	3. In para (4) 5 of G.O No. 4720-38 FD dated 32-26-24 D 20.1.27 it was directed that all grants & Recoveries Payments for

NOTE—Contn. Sheet.

WD 01714—GPB—30,000—16-4-28

4720

App. F. III—2]

General and Revenue Secretariat. GP File No. 27 of 192 8.

Serial No.	
22	Letter No. C 4492 D 24.4.29 from the Revenue? to Imperial Services requesting to have 92-9 of the Audit & Appropriation Report for (9 27)-8 about the undesirability of Grants Grants in aid to Village Panchayats as outright grants & states that the sanctioned grants should be drawn only after the works are executed & that some rules may be framed to avoid lapses of grants for a period of 3 years.
R.	The F. B.? may be requested to put up a copy of the A+A. Report for reference
	MK 27.4.29 K 7/5/29
	(Copy the A+A short-comments paras. LLG 27/4/29 Sr.)
	I C K
	3. In para (4 5 of S.O 2nd & 4720-38 & 32-26-24 D 20-1-27 it was directed that all grants made to Village Panchayats for

NOTE—Contn. Sheet.

WD 01714—GPB—30,000—16-4-28

(2)

App. F. III—2]

General and Revenue Secretariat. WP File No. 27 of 1928.

Serial No.

for Drinking water wells & Rural Reconstruction be treated as outright grants & the procedure was ordered however to avoid lapsing unutilized grants at the end of the year. It is now pointed out in paras 92-96 of the Audit and Appropriation report that under the above procedure it is not always possible to see that the grants are utilized for the purpose for which they were made & whether the Panchayat also has contributed its share of the cost of the work. With the present limited amount available will not be adequate to satisfy all the demands and some deserving cases cannot have to be left out. It is therefore suggested that the grants should be drawn only after the works are completed & the expenditure incurred & that the unexpended balances be directed to the

The original file is not traceable (vide para 3 below)

NOTE—Contn. Sheet.

WD 01714—GPB—30,000—18-4-28

(3

App. F. III—2]

General and Revenue Secretariat. HP File No. 27 of 192 8

Serial No.

funded & carried forward to the next year

2. The Revenue has now stated that there is no force in the above remarks which may be adopted & suggests that to avoid lapses some special rules may be laid down under which the unused grants may be utilized within a period of 3 years, after which period fresh sanction of Govt should be obtained

3. It was in G.O no. 3432-41 LB 110-26-1 Dy 26-11-26, that it was first directed that these grants should be treated as absolute grants. Reference is invited to the Then 1st memo minute at para 7 in the file on the subject leading to the order Dy 26.11.26. The previous system of transferring these grants to a Debt head & amount required for works being drawn as separate work bills passed by the D.E. was considered

Flag W

Flag N.

NOTE—Contn. Sheet.

SD 01714—GPB—30,000—16-4-28

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App. F. III—2]

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Serial No.

To involve needless work both in the Dy Comrs & Comptroller's offices. It was also considered necessary to give full control of the grant to the Parliament. The proposed rules which are appended to the A & A. report & [illegible] the Rev Comr. in a way, results in reverting to the old arrangement & is for orders. The Comptroller may also be consulted about the rules required for furnishing the grants & for avoiding lapses. Sd

Mx
30/4 K 5/15. (Sunday)

28
7/5

The order of 20.1.27 was issued on a Com Resolution. The Rev. Com's recommendation to modify the order is apparently based upon the suggestion made in paragraph 96 of A & A. accounts. The Comptroller may be consulted H.O. as to how much financially the unexpended balance of the grants may be funded and lapses avoided

Second Member

Mr
3/5

NOTE—Contn. Sheet.

8595
6/5

WD 01714—GPB—30,000—18-4-28

4720/£

App. F. III—2]

General and Revenue Secretariat | V.P File No. 27 of 192 8

Serial No.

GEN. & REV. SECTT. R.O. No. 126. 1 MAY 1929 L. S. G. BRANCH.

COMPTROLLER'S OFFICE R.O. 59 11 MAY 1929 BANGALORE.

976 A.D. misc dated 14/5

94 22/5

1196 with D(Mis) 29.6.29.

Jgfg

To the Comptroller
Forwarded [with compliments for favour of remarks.

Rm. 11.5.29

Ob 11.5.

R.G. Rep. 1/Spl 2.7.29.

Returned with compliments.

2. The Revenue Commissioner also thinks that it is necessary that sanctioned grants should be drawn only as the works are executed and should not be transferred in advance to the credit of the local bodies. This was the procedure which was in force previous to the Government Order No.L. No.L.4720-38/L.B.32-26-24 dated 20th January 192' when grants were paid only on countersigned and preaudited bills. To avoid a lapse of grant we might arrange to fund the unutilised amounts as in the case of Road Fund. A procedure like this would provide for all the necessities of the case and may be adopted.

3. If, however, Government are particular about paying away the grants outright we must at least have some means of knowing whether (1) the money is drawn unnecessarily long in advance of requirements and (2) whether it is being spent on the very work for which the grant was sanctioned.

The Amildars will have to write to the Panchayats for which grants are given that the expenditure on the grant-in-aid works should not be mixed up

WD 021—GPB—30,000—21-8-28

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Serial No

up with that of others but should be ~~shown~~ Expenditure shown separately in the Day books and under a separate head in the accounts. ~~From a~~ The Taluk Office should keep an account of the grant-in-aid for each work showing the date of grant, amount of grant, amount spent during the month, total spent to end of the month and balance of grant available and send a copy of the statement to the Deputy Commissioner by the 15th of each month. As there will not usually be more than ~~15th~~ 15 or 20 works in each taluk for which grants are given the preparation of this monthly statement will be a simple matter. By means of this statement both the Amildar and Deputy Commissioner can find out and object to cases of unusual delay in execution of works From the Monthly Statements received in his office the Deputy Commissioner ~~will get~~ may be asked to furn(1) consolidated statements ~~prepared~~ once a quarter which need show only totals of talukwar grants, and expenditure during the quarter and balance available.(2) A list ~~will also be prepared~~ showing an analysis of the balance by works and the dates on which the grants were drawn. A copy of this statement accompanied by the list ~~will~~ may be required be sent to this office for audit purposes and if considered desirable a similar copy may be sent to Government also. It will also be desirable to make a rule to the effect that balances of grants which have not been completely

NOTE—Contn. Sheet

4720
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G. R. S. III-2.

General and Revenue Secretariat. | V. 9 File No. | of 1929.

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completely utilised within a period of three years will have to be refunded to Government

S. Shamanna
Comptroller 29/6/29

The procedure prescribed in para of the Comptroller's note above may perhaps be adopted. It does not appear necessary to ask the Dep. Comrs to send consolidated copies of statements to Govt direct. It would be sufficient if the Rev Com reviews these statements once a quarter & submits a copy of his review to Govt. for information. The suggestion of the Comptroller that balances of grants not completely utilised for a period of three years may be refunded to Govt may not be accepted.

Bn
2.7.29

Secy to Govt

Dewan

The Comptr's suggestion of forms a fund to which the grant on credit appeals some-times will prevent lapses & the unexpended

OFFICE OF THE SECOND MEMBER OF COUNCIL
3 JULY 1929
No. 86

NOTE—Contn. sheet.

SAM)

4720/29

G. R. S. III-2.

General and Revenue Secretariat.

V.9 File No.) of 19 .

Serial No.

completely utilised within a period of three years will have to be refunded to Government.

S. Shanmugam
Comptroller 29/6/29

The proceedings presented in para 5 of the Comptroller's note above may perhaps be adopted. It does not appear necessary to ask the Dep. Comrs to send consolidated copies of statements to Govt. direct. It would be sufficient if the Rev. Com. reviews these statements once a quarter & submits a copy of his review to Govt. for information. The suggestion of the Comptroller that balances of grants not completely utilised for a period of three years may be refunded to Govt. may not be accepted

Bn
2.7.29

Secd Member

The Comptrs suggestion to form a fund to which the grants are credited appears to me. This with proper safeguards & may be found

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3 JULY 1929
No. 89

NOTE—Contn. sheet.

SAM)

4720

grants could be made to the individual panchayats for work done. A suitable sum under might be placed in consultation with the Secy

draft. Bn 10/7. gvs

draft sent

for sanction Bn 17/7

Pl. see note Comptr.

18/7

The Public Accounts committee when discussed the matter about the propriety of outright grants to local bodies & municipalities for rural Reconstruction etc are of opinion that there is no need to change the existing System at present and that it should be possible to devise measures by which information could be furnished to audit that the funds in fact have been spent for the purpose for which the grants have been sanctioned. In the draft G.O (Side separately) the recommendations have been accepted and the Comptroller is requested to submit proposed details rules for orders of Govt in consultation with the Comptr Revenue. In the draft G.O put up it is proposed to fix the maximum amount as in the case of a Road Fund

para 10 of the Report

710 22/7

Secy 20/7/49

(9

Serial No.

Ir 206

The two important points for consideration are: firstly, that the grants to individual Panchayets may be made only for works actually executed and secondly, the Budget grant for drinking water wells as well as for rural reconstruction may be funded so that the unspent grants of a year may not lapse but be available for expenditure in future years.

The principle that grants sanctioned in the Budget should be drawn only as the works are executed is an unexceptionable one. The system of treating all grants made to Village Panchayets for water supply and for village improvement works as absolute outright grants and crediting the amounts in advance of the execution of the relative works has been adopted mainly with the object of ensuring a rapid construction of these works. The procedure regarding the preparation of the estimates has also to some extent been simplified. The rules laid down in the Government Order of 20th January 1927 provide for periodical inspection of the Works for the construction of which Government grants are made and for submission of Progress Reports to the higher authorities. If this procedure has been given a fair trial and has not worked satisfactorily, there is no objection to the proposed arrangement being adopted.

If the grants to individual Panchayets are to be made only after the works are executed, it only means that works should be got executed

WD 01684—GPB—30,000—20-4-29

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Serial No.

mainly on the contract system, that suitable imprests should be placed at their disposal for emergent payments and that moneys should be drawn from the Treasury after the usual formalities regarding the preparation of bills and their check as in the Public Works system are followed. I am not sure if it is the intention of the Revenue Commissioner that this procedure should be followed.

The observations made by the Comptroller in paras 92 to 96 of the Audit and Appropriation Report for 1927-28 were fully considered by the Public Accounts Committee recently who are of the opinion that "in view of the heavy and insistent demand for expenditure on these beneficent services and the comparatively small extent of the allotments, the scope for diversion of funds for other purposes is very limited and that there is no need to change the system at present." They however add that "it should be possible to devise measures by which information could be furnished to Audit that the funds have in fact been spent for the purposes for which the grants have been sanctioned."

Without changing the present system it may be possible to ensure that the sanctioned grants are utilised for the purposes for which they are allotted and the suggestions made by the Comptroller in para 3 of his note dated 29th June may be considered. The question of funding the grants will arise when it is decided that

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2 AUG. 1929
No. 1111

grants should be made only for works actually executed.

30. 7. 29.

(P. S. I consulted Mr. Ramanathan, Deputy Commissioner, Kolar (who casually met me to-day) he agrees in the views expressed above. -)

1/8/29

Sec. will please speak to me Fr. 2/8.

A draft of approval will be put up in accordance with paragraph of the Comptroller's note as agreed to by the Fin. Sec.

Fr. 2/8

Second Member

Yes
CSY
3/8 Fr.

Please put up suitable draft.

5/8

Revised draft put up

5-8-29

Draft Please put up a letter

7/8

Typed draft put up

8-8-29

5/8

OFFICE OF THE SECOND MEMBER OF COUNCIL
12 AUG. 1929
No. 1414

Note—Contn. Sheet

WD 01684—GPB—30,000—20-4-29

Second Member

CSY 13/8 Fr. Id 10/8 Fr.

(11

General and Revenue Secretariat | V. P File No. 27 | App. F. III—2 of 1925

Serial No.	
30	C. o. No. L 1658-67 § 31.8.25 to the Rev Comr. directs that the existing system of treating the grants as outright grants be continued and that the suggestions of the Comptroller for ensuring the grants are used for the purpose for which they are allotted be adopted.

No. C.4492/28-27.

OFFICE OF THE REVENUE COMMISSIONER IN MYSORE,

Dated, Bangalore, 23rd April *1929*

FROM

P. G. D'SOUZA, ESQ., B.A., B.L.,
Revenue Commissioner in Mysore.

GEN & REV. SECT. 4720 25 APR. 1929

To

The Chief Secretary to the Government
lighness the Maharaja of Mysore,
Bangalore.

SIR,

Adverting to Government Order No.L.4720-38/L.B. 32-26-24 dated the 20th January 1927 stating amongst other matters that the grants made to Village Panchayets for construction of Drinking Water Wells or Village Improvement works should be treated as absolute and outright grants and credited to the Village Panchayet fund, I have the honour to invite reference to paras 92 to 96 of the Audit and Appropriation Report for 1927-28 (pages 154-5) wherein the Comptroller to Government has explained at length the undesirability of such a procedure in disbursing grants. I am of the opinion that his observations have great force and I think that it is necessary that sanctioned grants should be drawn only as the works are executed and should not be transferred in advance to the credit of the local bodies for which the grants are made. To avoid lapse of grants every year, some special provision in the rules may be made after consultation with the Comptroller to Government, so that in the case of these grants to local bodies, they may not lapse within the close of the year of grant but can be utilised within a fixed period - about 3 years - after which if the funds are not used, fresh sanction of Government should be obtained for using them.

I have the honour to be,

Sir

Your most obedient servant

Revenue Commissioner.

L.P 27-28-22

No: 92/28-29.

OFFICE OF THE REVENUE COMMISSIONER IN MYSORE,

Dated, Bangalore, 23rd April 1929.

FROM

P. G. D'SOUZA, ESQ., B.A., B.L.,
Revenue Commissioner in Mysore.

GEN & REV. SEC. 4720 25 APR. 1929 L. S. C.

To

The ~~Chief~~ *Secretary to the Government of His Highness the Maharaja of Mysore, Bangalore.*

SIR,

Adverting to Government Order No.L.4720-38/L.B. 32-26-24 dated the 20th January 1927 stating amongst other matters that the grants made to Village Panchayets for construction of Drinking Water Wells or Village Improvement works should be treated as absolute and outright grants and credited to the Village Panchayet fund, I have the honour to invite reference to paras 92 to 96 of the Audit and Appropriation Report for 1927-28 (pages 154-5) wherein the Comptroller to Government has explained at length the undesirability of such a procedure in disbursing grants. I am of the opinion that his observations have great force and I think that it is necessary that sanctioned grants should be drawn only as the works are executed and should not be transferred in advance to the credit of the local bodies for which the grants are made. To avoid lapse of grants every year, some special provision in the rules may be made, after consultation with the Comptroller to Government so that in the case of these grants to local bodies, they may not lapse within the close of the year of grant but can be utilised within a fixed period - about 3 years - after which if the funds are not used, fresh sanction of Government should be obtained for using them.

I have the honour to be,

Sir,

Your most obedient servant

Revenue Commissioner.

(13

Proceedings of the Governme
the Maharaja of Mysor

V. P 27-28-30

R e a d:-

G.O.No.L.4720-38 L.B.32-26-24 dated 20th January 1927, directing among other — things that the grants made by Government to Village Panchayets for construction of Drinking Water Wells or Village Improvement works be treated as absolute and outright -- grants and credited to Village Panchayet -- Funds.

2. Paras 92-96 of the Audit and Appropriation Report for 1927-28, stating that for reasons explained it is undesirable to treat the grants as outright.

3. Letter No.C.4492 dated 24th April 1929, from the Revenue Commissioner in Mysore stating that there is much force in the reasons given by the Comptroller in the Audit and Appropriation report referred to above, against treating the grants as outright, that he considers it necessary that the sanctioned grants should be drawn only as the works are executed and that some special provision may be made in consultation with the Comptroller, to avoid lapses of grants every year.

ORDER NO.L. 658-67

Dated, Bangalore, the 31st August 1929.

The Comptroller who was consulted in the matter, has stated that he agrees with the Revenue Commissioner regarding the --- undesirability of treating the grants as outright/and that to avoid lapses the un- to the several Panchayets

utilized

(14

utilised amounts may be funded as in the case of road fund. He has however added that if Government are particular about continuing to treat the grants as outright it is at least necessary to make certain provisions for ascertaining whether the money is not drawn unnecessary long in advance of requirements and whether it is being spent on the very work for which the grant was intended.

2. The question was fully considered by the Public Accounts Committee recently who are of the opinion that "in view of the heavy and insistent demand for expenditure on these --- beneficent services and comparatively small extent of the allotments, the scope for diversion of funds for other purposes is very limited that there is no need to change the existing system at present and that it should be possible to devise measures by which information could be furnished to Audit that the funds have in fact been spent for the purposes for which the --- grants have been sanctioned.

3. Government agree with the above view and consider that without changing the present system it may be possible to ensure that the sanctioned grants are utilized for the purposes for which they were alloted. Government are accordingly pleased to direct that the existing --- system of treating the grants as outright be continued. The following suggestions made by the Comptroller for ensuring that the grants are used for the purposes for which they were alloted will be adopted:-

(i) The Panchayets should be instructed that the expenditure on grant-in-aid works should not be mixed up with others but should be shown --- separately

(14

utilised amounts may be funded as in the case of road fund. He has however added that if Government are particular about continuing to treat the grants as outright it is at least necessary to make certain provisions for ascertaining whether the money is not drawn unnecessary long in advance of requirements and whether it is being spent on the very work for which the grant was intended.

2. The question was fully considered by the Public Accounts Committee recently who are of the opinion that "in view of the heavy and insistent demand for expenditure on these --- beneficent services and comparatively small extent of the allotments, the scope for diversion of funds for other purposes is very limited that there is no need to change the existing system at present and that it should be possible to devise measures by which information could be furnished to Audit that the funds have in fact been spent for the purposes for which the --- grants have been sanctioned."

3. Government agree with the above view and consider that without changing the present system it may be possible to ensure that the sanctioned grants are utilized for the purposes for which they were alloted. Government are accordingly pleased to direct that the existing --- system of treating the grants as outright be continued. The following suggestions made by the Comptroller for ensuring that the grants are used for the purposes for which they were alloted will be adopted:-

(1) The Panchayets should be instructed that the expenditure on grant-in-aid works should not be mixed up with others but should be shown --- separately

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separately in the Day books under a separate head.

(2) The Taluk Office should keep an account of the grant-in-aid for each work, showing the date of grant, amount of grant, amount spent during the month, total spent to the end of the month and the balance available, a copy of the statement being sent to the Deputy Commissioner by the 15th of the month following:

(3) The monthly statements received from the Taluks will be consolidated in the Deputy Commissioner's Office once a quarter, showing only totals of talukwar grants, expenditure during the quarter and the balance -- available, with a list of an analysis of the balance by works and the dates on which the grants were drawn. A copy of this statement and the list will be sent to the Comptroller for audit and another set sent to the Revenue Commissioner who may review the same and submit a copy thereof to Government for information.

4. The Comptroller is requested to issue detailed instructions to the several officers concerned about the proper and correct preparation and submission of the above returns.

13/8

DRAFT)
Gl. Secry to Govt.

To

The Revenue Commr. in Mysore.
" Comptroller to Govt.
" Deputy Commrs of Dts.

PRINT.

K.M.R.1.
8/8.

C 46

S. O.

Government of his highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. L. 1658-67—V. P. 27-28-30, dated 31st August 1929.

Grants to Village Panchayets for Drinking Water Wells or Village Improvement Works.

Directs that the existing system of treating the —— as outright be continued and issues certain instructions in the matter.

READ—

Government Order No. L. 4720-38—L. B. 32-26-24, dated the 20th January 1927, directing among other things that the grants made by Government to Village Panchayets for construction of Drinking Water Wells or Village Improvement Works be treated as absolute and outright grants and credited to Village Panchayet Funds.

2. Paras 92 to 96 of the Audit and Appropriation Report for 1927-28, stating that for reasons explained, it is undesirable to treat the grants as outright.

3. Letter No. C. 4492, dated 24th April 1929, from the Revenue Commissioner in Mysore, stating that there is much force in the reasons given by the Comptroller in the Audit and Appropriation Report referred to above against treating the grants as outright, that he considers it necessary that the sanctioned grants should be drawn only as the works are executed and that some special provision may be made in consultation with the Comptroller, to avoid lapses of grants every year.

ORDER NO. L. 1658-67—V. P. 27-28-30, DATED 31ST AUGUST 1929.

The Comptroller who was consulted in the matter, has stated that he agrees with the Revenue Commissioner regarding the undesirability of treating the grants as outright to the several Panchayets and that to avoid lapses, the unutilised amounts may be funded as in the case of road fund. He has however added that if Government are particular about continuing to treat the grants as outright, it is at least necessary to make certain provisions for ascertaining whether the money is not drawn unnecessarily long in advance of requirements and whether it is being spent on the very work for which the grant was intended.

2. The question was fully considered by the Public Accounts Committee recently who are of the opinion that "in view of the heavy and insistent demand for expenditure on these beneficent services and comparatively small extent of the allotments, the scope for diversion of funds for other purposes is very limited that there is no need to change the existing system at present and that it should be possible to devise measures by which information could be furnished to Audit that the funds have in fact been spent for the purposes for which the grants have been sanctioned."

3. Government agree with the above view and consider that without changing the present system it may be possible to ensure that the sanctioned grants are utilised for the purposes for which they were allotted. Government are accordingly pleased to direct that the existing system of treating the grants as outright be continued. The following suggestions made by the Comptroller for ensuring that the grants are used for the purposes for which they were alloted will be adoptted:—

(1) The Panchayets should be instructed that the expenditure on grant-in-aid works should not be mixed up with others but should be shown separately in the Day Books under a separate head.

(2) The Taluk Office should keep an account of the grant-in-aid for each work, showing the date of grant, amount of grant, amount spent during the month, total spent to the end of the month and the balance available, a copy of the statement being sent to the Deputy Commissioner by the 15th of the month following.

No. L. 1658-67—V. P. 27-28-30, DATED 31ST AUGUST 1929.

(3) The monthly statements received from the Taluks will be consolidated in the Deputy Commissioner's Office once a quarter, showing only totals of talukwar grants, expenditure during the quarter and the balance available, with a list of an analysis of the balance by works and the dates on which the grants were drawn. A copy of this statement and the list will be sent to the Comptroller for audit and another set sent to the Revenue Commissioner who may review the same and submit a copy thereof to Government for information.

4. The Comptroller is requested to issue detailed instructions to the several officers concerned about the proper and correct preparation and submission of the above returns.

B. NARAYANASWAMI IYENGAR,
Offg. *General Secretary to Government.*

To—The Revenue Commissioner in Mysore.
The Comptroller to the Government of Mysore.
The Deputy Commissioners of Districts.

Exd.—P. S. R. N.

W D 685—GPB—575—10-9-29